American University Budget

Fiscal Years 2010 and 2011

(May 1, 2009–April 30, 2011)

A Report from the President

Adopted by the Board of Trustees
February 27, 2009

Report from President Kerwin

The AU Board of Trustees recently approved the university budget for fiscal years 2010 and 2011. The budget reflects alignment with the objectives and action steps of the first two-year phase of the University Strategic Plan. All budget proposals were structured in accordance with the plan, and the strategic goals guided the work of the University Budget Committee in concert with the Strategic Planning Steering Committee and the Cabinet. Input and suggestions were solicited from the university community in a variety of ways, including town hall meetings.

The budget now exceeds $450 million in annual revenue and expenditures, reflecting steady growth in the size, complexity, and quality of our institution despite troublesome external economic conditions. Our emphasis on effective enrollment management, rigorous internal controls, and the continuation of financial safeguard policies has proven to be critical to the university's positive financial standing in the current economic context. This budget reflects both confidence in our prospects and the intent to make a strong statement about the seriousness of our commitment to the University Strategic Plan. A new section has been added to this budget presentation to summarize over $40 million in funding for strategic objectives and action steps for two years. A divisional budget for the provost and each vice president is also presented to further increase transparency. I am confident we will advance this institution to a higher level in coming years through the sound investment of our resources.

Evidence indicates that the university's current financial condition will remain strong for the foreseeable future. Although the value of our endowment has declined significantly, less than one percent of the operating budget is dependent on endowment income – unlike many of our competitors with endowment income reliance from 10-40% of their operating budgets. Over the past year we have restructured $220 million, or 100%, of our tax-exempt debt, which has provided significant savings and additional stability in the continuing credit crisis. Major indicators for fall 2009 enrollment remain strong. Nevertheless, we are mindful that given the uncertainty and volatility in the economy, dramatic changes could occur rapidly. Therefore, as we developed the budget proposal for fiscal years 2010 and 2011, we also performed a stress test to ensure that adequate financial safeguards exist and that actions could be taken to mitigate sudden enrollment shortfalls in fiscal years 2010 or 2011. We developed multiple levels of contingency options that are available to deal with unanticipated shortfalls. Even in more stable years, we have built our operating budgets with contingencies and safeguards to provide a cushion should unexpected events surprise us. This discipline has served us well, and continues to be fundamental in the new approved budget. We are confident that unexpected enrollment shortfalls or other unforeseen funding needs can be accommodated through operations, budget contingencies, and designated reserves. In the approval of this two-year budget, the Board of Trustees is both mindful and confident that such contingency plans were in place.

The university is also monitoring potential sources of funding including enhanced financial aid for students such as increased Pell Grants through the American Recovery and Reinvestment Act, as well as grants awarded by the District of Columbia to higher education institutions for energy initiatives and infrastructure. The operating budget covers two fiscal years; specific items for fiscal year 2011 may need to be adjusted to reflect conditions at that time. The Board of Trustees will review the budget at mid-point in the cycle in case adjustments need to be made.

Freshmen and transfer enrollments are budgeted at 1,500 and 275, respectively, while continuing to emphasize student quality, diversity, and selectivity. Graduate, law, Washington Semester, and non-degree enrollment categories are budgeted conservatively. As in previous years, particular attention has been paid to the pricing structure for summer graduate and MBA programs to remain competitive. The budget includes a new revenue initiative targeted at intensifying marketing and recruitment efforts, promoting faculty research activities, and exercising innovation.

There will be a five percent increase in undergraduate, graduate, and law school tuition rates for fiscal years 2010 and 2011. Residence hall rates will increase by four and a half percent each year. The current summer graduate rate will remain the same for summer 2009 and will increase by five percent in summer 2010. MBA and graduate business tuition rates will increase by three percent for fiscal years 2010 and 2011 to maintain competitiveness. AU's tuition and mandatory fees are below the mid-point of our market competitors, based on the latest available data (see table on p.14). These increases will not significantly change our position and are necessary to make needed improvements while supporting the implementation phase of the strategic plan.

Consistent with the strategic plan, this budget provides for:

- increased full-time faculty to enhance instructional resources and to reduce teaching loads for research-active faculty;
- competitive salaries and benefits for faculty and staff;
- more competitive adjunct faculty salary rates;
- strengthening of our undergraduate and graduate programs;
- expanded faculty and student research support;
- augmented need-based financial aid and various diversity initiatives;
- enhanced student recruitment including international students;
- increased support for fundraising and alumni support;
- improved student services including the implementation of a virtual and physical "One-Stop Center";
- progress toward the President's Climate Commitment;
- the next phase of marketing initiatives including the branding campaign, digital media, and web phase II;
- augmented facilities modernization and equipment funding;
- advancements in technology, library, and research infrastructure;
- new sources of revenue;
- tuition reserve and quasi-endowment transfer for financial safeguards; and
- a transfer of cash reserves to supplement funding for strategic action steps.

I am grateful to all who participated in the budget and strategic planning processes. I am confident that the budget for fiscal years 2010 and 2011 will enable the university to make significant advances in realizing its strategic goals.

Fiscal Years 2010–2011 Budget Highlights

Tuition and Fees:

All Enrollment Categories:	5.0% increase for FY10 and FY11 except MBA and graduate business programs.
MBA and Graduate Business:	3.0% increase for FY10 and FY11.
Summer Undergraduate:	6.0% increase for FY10 and 5.0% increase for FY11.
Summer Graduate and MBA:	0.0% increase for FY10 and 5.0% increase for FY11.
Student Technology Fee:	$120 per semester for full-time students and $40 per semester for part-time students effective FY10 to help support investments in new technologies as part of the strategic plan.

Residence Halls: 4.5% increase for FY10 and FY11.

Meal Plan: 4.0% increase for FY10 and FY11.

Parking: Increased $3 per month. The monthly rate for faculty, staff, and students will be $117 effective May 2009 and $120 effective May 2010.

New Revenue Initiatives: $500,000 in FY11 by intensifying marketing and recruitment efforts, promoting faculty research activities, and exercising innovation.

Faculty-Staff Salaries and Benefits: $3.7 million for a 3.0% performance-based salary pool and benefits for faculty and staff effective September 2009, and another $3.8 million for a 3.0% pool for September 2010. An additional pool is set aside to continue the multi-year goal of bringing the average salary for assistant professors closer to the AAUP Level 1 standard. No market adjustment pool is set aside for staff salaries as benchmarking analysis indicates average staff salaries are above the market median. However, staff compensation salary bands will be increased by 3.0% each year. Salary and benefits commitments also include the implementation of a minimum wage increase to $8.25 per hour in compliance with D.C. regulations, auto-enrollment in 403(b) benefits plans effective May 2009, and increased university contributions to the health plan.

Full-time Faculty: $2.6 million over two years to hire 23 new tenure and tenure-track faculty, and an additional $1.1 million to continue 12 full-time temporary faculty positions each year to respond to planned enrollment increases. $1.36 million over two years to support start-up packages for new faculty positions and current searches.

Adjunct Faculty: Increased $760,000 over two years to make adjunct faculty salary rates more competitive.

New Staff: $4.5 million over two years for salaries and benefits for 58 new full-time staff positions.

Financial Aid: Increased $9.4 million over two years to match the tuition rate and index to enrollment projections at a 29% tuition discount ratio for undergraduate and graduate students; to make need-based financial aid awards available for Pell Grant-eligible students and to support diversity initiatives within the financial aid budget; to increase funding for existing and new Ph.D. programs; to award four additional Athletics scholarships over two years to increase competitiveness among Patriot League schools; and to provide seed money for the expansion of Washington Semester affiliated programs in FY10.

Supplies and Expenses: Additional funding for a wide range of initiatives to adequately fund academic base budgets, faculty travel, and staff training and development; to fund new research centers; and to respond to external environmental factors.

New SIS Building: $1.3 million for operations and maintenance costs in FY11 as the new SIS building becomes fully operational.

Marketing Initiatives: $1.27 million over two years for branding campaign, integrated marketing efforts, and web phase II. An additional $1 million each year for intensive marketing and retention efforts for undergraduate, international, and graduate students.

Development: Increased $258,000 over two years to support fundraising and alumni development.

Student Services: Increased $300,000 over two years to implement various initiatives including the student leadership development initiative and the creation of a Women's Center.

Athletics: Increased $138,000 over two years to be competitive among Patriot League schools.

Utilities: Increased $1.8 million in FY10 based on a renewed five-year contract.

Technology Capital Funding: $3.2 million over two years to support the university's multi-year technology plan including technology capital life cycle renewal, faculty research and student service support, campus-wide enterprise projects, and business continuity. Student technology fee increases will partially offset this technology investment.

Library Acquisitions: Increased $350,000 in FY10 and another $350,000 in FY11 to enhance the library collection and electronic databases.

Deferred Maintenance Fund: Increased $300,000 in FY10 and an additional $1.5 million in FY11, which includes residence halls, the new SIS building, and continuation of the preventive maintenance program.

Furnishings and Equipment Fund: Increased $50,000 in FY10 and another $250,000 in FY11.

Facilities Modernization Fund: Increased $250,000 in FY10 and another $250,000 in FY11.

Transfer to Quasi-Endowment Funds: Equals 1% of the total budget for FY10 and 2% for FY11.

Enrollment Contingency: Equals $5.6 million or 1.5% of projected tuition revenue in FY10. In FY11, $5 million will be available to fund strategic priorities and the remaining $900,000 will be budgeted in the enrollment contingency account.

Transfer to Fund Strategic Plan Initiatives: $2.4 million in FY10 and $3 million in FY11 from the internally designated Strategic Plan Initiative accounts.

American University
FY2010 Budget
Revenue and Expenditures

REVENUE ($000's)	FY2009 Budget	Budget Changes	FY2010 Budget	% Change
Student Tuition and Fees	**$346,415**	$25,445	**$371,860**	7.3%
Residence Halls	**31,711**	983	**32,694**	3.1%
Auxiliary Enterprises	**26,089**	1,607	**27,696**	6.2%
Investment Income	**5,400**	(1,400)	**4,000**	(25.9%)
Unrestricted Gifts	**750**	0	**750**	0.0%
Indirect Cost Recovery	**2,300**	(300)	**2,000**	(13.0%)
Endowment Income	**3,200**	0	**3,200**	0.0%
WAMU-FM Revenue	**11,860**	2,640	**14,500**	22.3%
Total Revenue	**$427,725**	$28,975	**$456,700**	6.8%

EXPENDITURES ($000's)	FY2009 Budget	Budget Changes	FY2010 Budget	% Change
Faculty and Staff Salaries	**$143,203**	$6,302	**$149,505**	4.4%
Adjunct Faculty Salaries	**5,436**	350	**5,786**	6.4%
Part-time Staff	**15,005**	191	**15,196**	1.3%
Employee Benefits	**37,524**	2,392	**39,916**	6.4%
Transfer to Fund Sept. 2009 Salary Increase	**(3,800)**	100	**(3,700)**	(2.6%)
Transfer to Pre-Fund Sept. 2010 Salary Increase	**3,941**	(141)	**3,800**	(3.6%)
Salaries and Benefits	**$201,309**	$9,194	**$210,503**	4.6%
Financial Aid	**78,459**	5,404	**83,863**	6.9%
Supplies and Expenses, etc.	**81,742**	4,676	**86,418**	5.7%
Instructional Revenue Centers (Institutes)	**6,764**	1,325	**8,089**	19.6%
Library Acquisitions	**4,605**	350	**4,955**	7.6%
Utilities	**7,467**	1,770	**9,237**	23.7%
Technology Capital Funding	**4,297**	2,671	**6,968**	62.2%
Deferred Maintenance Fund (including residence halls)	**9,101**	300	**9,401**	3.3%
Furnishings and Equipment Fund	**2,100**	50	**2,150**	2.4%
Facilities Modernization Fund	**2,100**	250	**2,350**	11.9%
Debt Service	**17,294**	0	**17,294**	0.0%
WCL Additional Expenditures	**0**	3,412	**3,412**	n/a
KSB Additional Expenditures	**0**	1,869	**1,869**	n/a
WAMU Additional Expenditures	**0**	2,375	**2,375**	n/a
Transfer to Quasi-Endowment Funds	**8,555**	(3,955)	**4,600**	(46.2%)
Tuition Management Reserve	**5,182**	418	**5,600**	8.1%
Transfer to Fund Strategic Plan Initiatives	**(1,250)**	(1,135)	**(2,385)**	90.8%
Total Expenditures	**$427,725**	$28,975	**$456,700**	6.8%

Net Surplus/(Deficit)	**$0**	$0	**$0**	

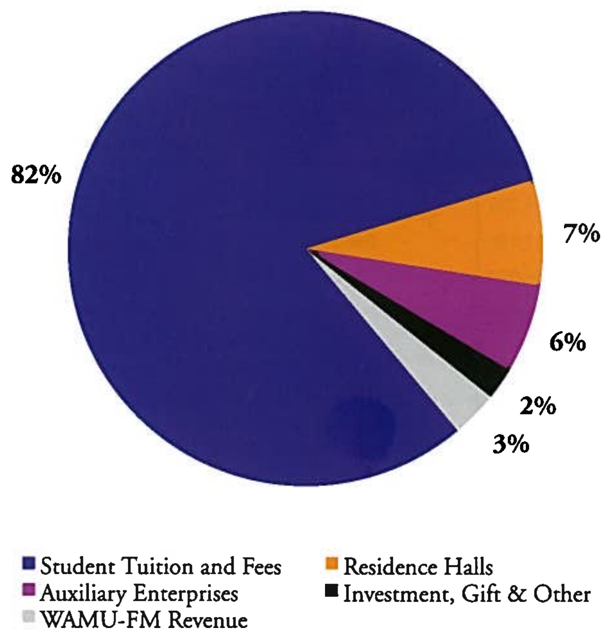
American University
FY2011 Budget
Revenue and Expenditures

REVENUE ($000's)	FY2010 Budget	Budget Changes	FY2011 Budget	% Change
Student Tuition and Fees	$371,860	$18,812	$390,672	5.1%
New Revenue Initiatives	0	500	500	n/a
Residence Halls	32,694	1,578	34,272	4.8%
Auxiliary Enterprises	27,696	710	28,406	2.6%
Investment Income	4,000	0	4,000	0.0%
Unrestricted Gifts	750	0	750	0.0%
Indirect Cost Recovery	2,000	0	2,000	0.0%
Endowment Income	3,200	0	3,200	0.0%
WAMU-FM Revenue	14,500	900	15,400	6.2%
Total Revenue	$456,700	$22,500	$479,200	4.9%

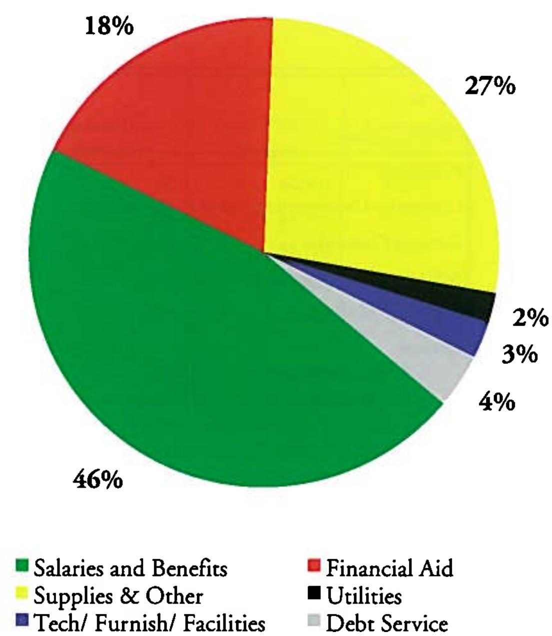
EXPENDITURES ($000's)	FY2010 Budget	Budget Changes	FY2011 Budget	% Change
Faculty and Staff Salaries	$149,505	$6,718	$156,223	4.5%
Adjunct Faculty Salaries	5,786	350	6,136	6.0%
Part-time Staff	15,196	36	15,232	0.2%
Employee Benefits	39,916	2,434	42,350	6.1%
Transfer to Fund Sept. 2010 Salary Increase	(3,700)	(100)	(3,800)	2.7%
Transfer to Pre-Fund Sept. 2011 Salary Increase	3,800	100	3,900	2.6%
Salaries and Benefits	$210,503	$9,538	$220,041	4.5%
Financial Aid	83,863	3,963	87,826	4.7%
Supplies and Expenses, etc.	86,418	1,466	87,884	1.7%
Instructional Revenue Centers (Institutes)	8,089	150	8,239	1.9%
Library Acquisitions	4,955	350	5,305	7.1%
Utilities	9,237	75	9,312	0.8%
Technology Capital Funding	6,968	530	7,498	7.6%
Deferred Maintenance Fund (including residence halls)	9,401	1,500	10,901	16.0%
Furnishings and Equipment Fund	2,150	250	2,400	11.6%
Facilities Modernization Fund	2,350	250	2,600	10.6%
Debt Service	17,294	0	17,294	0.0%
WCL Additional Expenditures	3,412	2,398	5,811	70.3%
KSB Additional Expenditures	1,869	1,514	3,384	81.0%
WAMU Additional Expenditures	2,375	810	3,185	34.1%
Transfer to Quasi-Endowment Funds	4,600	5,000	9,600	108.7%
Tuition Management Reserve	5,600	(4,700)	900	(83.9%)
Transfer to Fund Strategic Plan Initiatives	(2,385)	(595)	(2,980)	24.9%
Total Expenditures	$456,700	$22,500	$479,200	4.9%

Net Surplus/(Deficit)	$0	$0	$0	

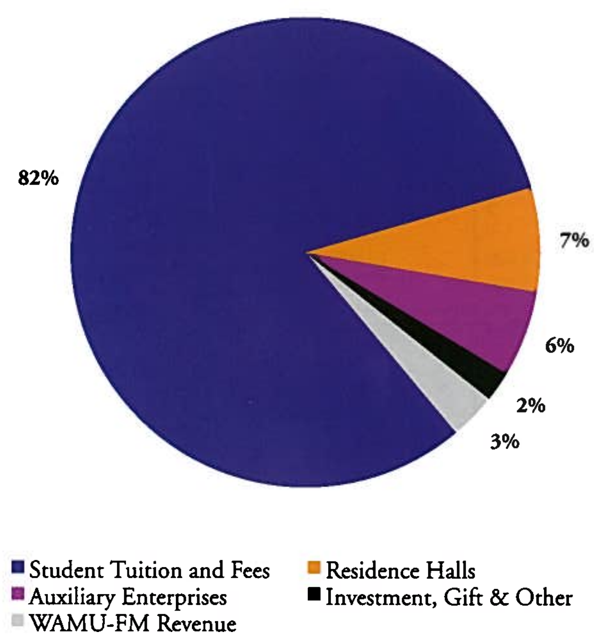
FY2010 Revenue Budget



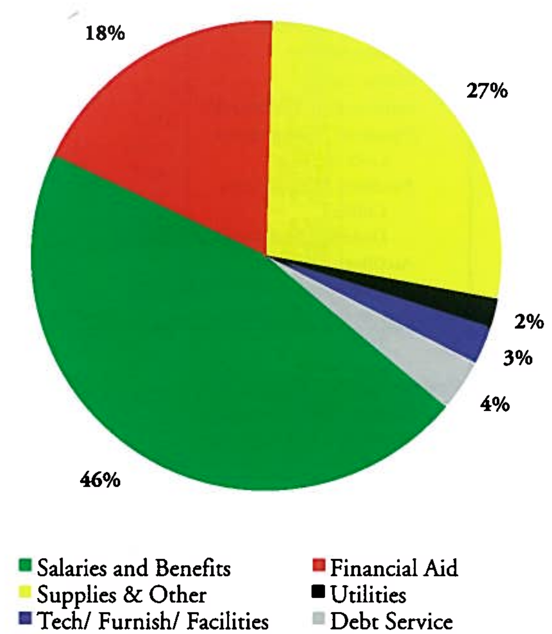
FY2010 Expenditure Budget



FY2011 Revenue Budget



FY2011 Expenditure Budget



American University
FY2010 Expenditure Budget by Division
(Units include fringe benefits.)

($000's omitted)	Operating Accounts	Institutional Accounts	Total FY2010 Budget	% of University Total
President	$2,501	$0	**$2,501**	0.5%
University Communications and Marketing	$3,726	$0	**$3,726**	0.8%
General Counsel	$1,189	$460	**$1,649**	0.4%
Athletics and Recreation	$6,992	$4,254	**$11,246**	2.5%
WAMU-FM (RCM)	$13,070	$0	**$13,070**	2.9%
Provost				
Provost's Central Accounts	$6,468	$0	**$6,468**	
Academic Initiatives - for distribution to colleges/schools	2,154	0	**2,154**	
College of Arts and Sciences (CAS)	35,660	590	**36,250**	
Kogod School of Business (KSB) - RCM	15,540	400	**15,940**	
School of International Service (SIS)	9,906	22	**9,928**	
School of Communication (SOC)	7,249	0	**7,249**	
School of Public Affairs (SPA)	11,562	11	**11,573**	
Washington Semester	4,821	2,108	**6,929**	
AU Abroad/Abroad at AU	9,609	114	**9,723**	
Instructional Revenue Centers (Institutes) - for distribution	8,089	0	**8,089**	
Washington College of Law (WCL) - RCM	46,661	5,385	**52,046**	
Dean of Academic Affairs	6,033	14,427	**20,460**	
Office of Enrollment/Admissions	7,867	0	**7,867**	
Undergraduate Financial Aid	0	58,373	**58,373**	
Library	9,403	974	**10,377**	
Registrar	1,971	122	**2,093**	
Total	$182,994	$82,525	**$265,519**	58.1%
Vice President of Finance and Treasurer				
Vice President's Central Accounts	$4,463	$2,292	**$6,755**	
Risk Management and Safety Services	0	696	**696**	
Transportation	930	0	**930**	
Public Safety	2,953	0	**2,953**	
Information Technology	15,938	0	**15,938**	
Financial Management	4,070	1,466	**5,536**	
Debt Service	0	16,111	**16,111**	
Facilities Management	19,308	5,044	**24,351**	
Utilities	0	9,237	**9,237**	
Deferred Maintenance (CRDM)	0	8,101	**8,101**	
Auxiliary Services	8,626	12,603	**21,229**	
Human Resources/CDC/Benefits	3,120	38,124	**41,244**	
Fringe Benefits Offset	0	(38,124)	**(38,124)**	
Total	$59,407	$55,549	**$114,956**	25.2%
Vice President of Campus Life				
Campus Life Operations	$11,796	$697	**$12,492**	
Residence Hall Operations	3,398	0	**3,398**	
Residence Hall Deferred Maintenance	0	1,300	**1,300**	
Total	$15,193	$1,997	**$17,190**	3.8%
Vice President of Development and Alumni Relations	$5,759	$0	**$5,759**	1.3%
Central Reserves				
New Faculty and Staff Position Pool - for distribution	$4,269	$0	**$4,269**	
Faculty and Staff Merit Increase - for distribution	3,700	0	**3,700**	
Furnishings and Equipment Fund	0	2,150	**2,150**	
Facilities Modernization Fund	0	2,350	**2,350**	
Transfer to Quasi-Endowment Funds	0	4,600	**4,600**	
Tuition Management Reserve	0	5,600	**5,600**	
Transfer to Fund Strategic Initiatives	0	(2,385)	**(2,385)**	
Other Central Reserves/Transfer	0	799	**799**	
Total	$7,969	$13,114	**$21,083**	4.6%
FY2010 TOTAL UNIVERSITY BUDGET	**$298,800**	**$157,900**	**$456,700**	**100%**

American University
FY2011 Expenditure Budget by Division
(Units include fringe benefits.)

($000's omitted)	Operating Accounts	Institutional Accounts	Total FY2011 Budget	% of University Total
President	$2,501	$0	**$2,501**	0.5%
University Communications and Marketing	$3,305	$0	**$3,305**	0.7%
General Counsel	$1,189	$585	**$1,774**	0.4%
Athletics and Recreation	$7,034	$4,516	**$11,551**	2.4%
WAMU-FM (RCM)	$13,880	$0	**$13,880**	2.9%
Provost				
Provost's Central Accounts	$6,468	$0	**$6,468**	
Academic Initiatives - for distribution to colleges/schools	2,641	0	**2,641**	
College of Arts and Sciences (CAS)	35,660	623	**36,283**	
Kogod School of Business (KSB) - RCM	17,054	400	**17,454**	
School of International Service (SIS)	9,906	24	**9,930**	
School of Communication (SOC)	7,249	0	**7,249**	
School of Public Affairs (SPA)	11,562	12	**11,574**	
Washington Semester	4,761	2,205	**6,966**	
AU Abroad/Abroad at AU	9,844	114	**9,958**	
Instructional Revenue Centers (Institutes) - for distribution	8,239	0	**8,239**	
Washington College of Law (WCL) - RCM	48,790	5,654	**54,444**	
Dean of Academic Affairs	6,033	15,527	**21,560**	
Office of Enrollment/Admissions	7,867	0	**7,867**	
Undergraduate Financial Aid	0	61,413	**61,413**	
Library	9,753	974	**10,727**	
Registrar	1,971	126	**2,097**	
Total	$187,800	$87,072	**$274,872**	57.4%
Vice President of Finance and Treasurer				
Vice President's Central Accounts	$4,466	$2,292	**$6,758**	
Risk Management and Safety Services	0	696	**696**	
Transportation	930	0	**930**	
Public Safety	2,953	0	**2,953**	
Information Technology	16,386	0	**16,386**	
Financial Management	4,070	1,466	**5,536**	
Debt Service	0	16,111	**16,111**	
Facilities Management	21,480	5,144	**26,623**	
Utilities	0	9,312	**9,312**	
Deferred Maintenance (CRDM)	0	9,501	**9,501**	
Auxiliary Services	8,626	13,112	**21,738**	
Human Resources/CDC/Benefits	3,120	38,649	**41,769**	
Fringe Benefits Offset	0	(38,649)	**(38,649)**	
Total	$62,031	$57,633	**$119,664**	25.0%
Vice President of Campus Life				
Campus Life Operations	$11,856	$714	**$12,570**	
Residence Hall Operations	3,431	0	**3,431**	
Residence Hall Deferred Maintenance	0	1,400	**1,400**	
Total	$15,287	$2,114	**$17,401**	3.6%
Vice President of Development and Alumni Relations	$6,011	$0	**$6,011**	1.3%
Central Reserves				
New Faculty and Staff Position Pool - for distribution	$7,153	$0	**$7,153**	
Faculty and Staff Merit Increase - for distribution	3,800	0	**3,800**	
Furnishings and Equipment Fund	0	2,400	**2,400**	
Facilities Modernization Fund	0	2,600	**2,600**	
Transfer to Quasi-Endowment Funds	0	9,600	**9,600**	
Enrollment Contingency	0	900	**900**	
Transfer to Fund Strategic Initiatives	0	(2,980)	**(2,980)**	
Other Central Reserves/Transfer	0	4,768	**4,768**	
Total	$10,953	$17,288	**$28,241**	5.9%
FY2011 TOTAL UNIVERSITY BUDGET	**$309,991**	**$169,209**	**$479,200**	**100%**

Highlights of FY2010–2011 Funding for Strategic Plan Goals

Some important objectives are funded within the current operating budget or through reallocations; some objectives require new resources as presented below.

($000's omitted)	Budget Allocations FY2010	FY2011
STRATEGIC GOALS		
SP1 Epitomize the Scholar-Teacher Ideal		
Increase full-time faculty; make recruiting packages more competitive; increase faculty support	$2,450	$3,086
Close gap with AAUP 1 for Assistant Professor rank	100	200
Hire temporary faculty to meet enrollment increases	1,000	1,000
Adjust compensation rates for adjunct faculty to market	378	756
	$3,928	$5,042
SP2 Provide an Unsurpassed Undergraduate Experience		
Increase funding for Athletics scholarships, staffing, marketing, intramurals and club sports	$436	$525
Implement integrated student services (One-Stop Center)	618	612
Increase student support including a new Women's Center	57	124
Provide resources to strengthen liberal arts/sciences, academic program development, and student research support	597	611
Enhance undergraduate marketing and recruitment including a new AU Welcome Center	1,505	1,505
	$3,213	$3,377
SP3 Demonstrate Distinction in Graduate, Professional, and Legal Studies		
Increase funding level and duration of Ph.D. awards for existing and expanded programs	$375	$875
Support dissertation program, online curriculum design for faculty, and graduate marketing	213	363
Create dedicated graduate study lounge in a bridge space between SIS and Library	325	325
	$913	$1,563
SP4 Engage in Great Ideas and Issues through Research, Centers, and Institutes		
Establish new research centers and improve research infrastructure	$470	$640
SP5 Reflect and Value Diversity		
Increase funding for STEP and alternative break trips	$62	$62
Increase support for Frederick Douglass Scholarship program, WINS, and faculty diversity initiatives	220	600
(Reallocation of financial aid to meet higher percentage of need - $3.9M)	0	0
	$282	$662
SP6 Bring the World to AU and AU to the World	existing budget	
SP7 Act on Values through Social Responsibility and Service		
Provide support for the D.C. Reads Program	$15	$15
Make progress toward the President's Climate Commitment Plan	520	520
	$535	$535

Highlights of FY2010–2011 Funding for Strategic Plan Goals

Some important objectives are funded within the current operating budget or through reallocations; some objectives require new resources as presented below.

($000's omitted)		Budget Allocations FY2010	Budget Allocations FY2011
SP8	**Engage Alumni in the Life of the University, On- and Off-Campus**		
	Increase funding for Development to support alumni relations and regional advancements	$545	$1,060
SP9	**Encourage Innovation and High Performance**		
	Enhance staff training and career development program	$250	$250
	Enhance General Counsel operations for compliance and support external legal fees	215	340
	Provide increased support for student activities, housing/dining programs, and web	59	100
	Make a safer campus by increasing Public Safety officers	272	272
	Increase base budgets for academic schools/colleges	1,000	1,000
		$1,796	$1,962
SP10	**Win Recognition and Distinction**		
	Enhance branding campaign; marketing; digital media; website phase II	$1,328	$908
	Cultivate partnerships to increase institutional visibility	150	180
		$1,478	$1,088
ENABLING GOALS			
EG1	**Diversify Revenue Sources**		
	Enhance university asset management	$192	$192
	Increase support for fundraising efforts in Development	205	440
	Provide seed money for expansion of Washington Semester affiliated programs	290	290
		$687	$922
EG2	**Employ Technology to Empower Excellence**		
	Implement IT Enterprise system enhancements	$1,212	$1,003
	Implement business continuity plan	0	270
	Renew technology life cycle capital programs	553	945
		$1,765	$2,218
EG3	**Improve the University Library and Research Infrastructure**		
	Increase post-award faculty research and grant management	$80	$327
	Increase funding for library collection and electronic databases	350	700
		$430	$1,027
EG4	**Forge Partnerships by Leveraging our Capital Location**	$20	$20
EG5	**Continue as a Model for Civil Discourse**	$10	$0
EG6	**Align Facilities Planning with Strategic Goals**		
	Address facilities modernization, furnishings, and CRDM	$275	$2,275
	Operations and maintenance for the new SIS building	0	1,300
	Consulting for Master Plan	500	500
		$775	$4,075
	TOTAL FUNDING	**$16,847**	**$24,191**

Tuition and Housing Rates

Tuition Rates - Fall and Spring Semesters

Fall and Spring Semesters	FY2009	FY2010	FY2011	FY09-10 Change	FY10-11 Change
Full-time Undergraduate (semester)	$16,408	$17,228	$18,090	5.0%	5.0%
Part-time Undergraduate (credit hour)	1,093	1,148	1,205	5.0%	5.0%
Graduate (credit hour)	1,178	1,237	1,299	5.0%	5.0%
Graduate Full-time MBA Program (semester)	14,113	14,536	14,972	3.0%	3.0%
Graduate Part-time MBA Program (credit hour)	1,079	1,111	1,144	3.0%	3.0%
Washington College of Law (semester)	19,326	20,292	21,307	5.0%	5.0%
Washington College of Law (credit hour)	1,431	1,503	1,578	5.0%	5.0%
Nondegree Undergraduate (credit hour)	1,093	1,148	1,205	5.0%	5.0%
Nondegree Graduate (credit hour)	1,178	1,237	1,299	5.0%	5.0%
Part-time Off-campus (credit hour)	991	1,041	1,093	5.0%	5.0%

Tuition Rates - Summer Semesters

Summer	2008	2009	2010	2008-09 Change	2009-10 Change
Undergraduate (credit hour)	$918	$973	$1,022	6.0%	5.0%
Graduate (credit hour)	1,111	1,111	1,167	0.0%	5.0%
MBA Program (credit hour)	1,048	1,048	1,100	0.0%	5.0%
Washington College of Law (credit hour)	1,350	1,431	1,503	6.0%	5.0%
Nondegree Undergraduate (credit hour)	918	973	1,022	6.0%	5.0%
Nondegree Graduate (credit hour)	1,111	1,111	1,167	0.0%	5.0%
Off-campus (credit hour)	935	991	1,041	6.0%	5.0%

Student Housing

	FY2009	FY2010	FY2011	FY09-10 Change	FY10-11 Change
Single Occupancy including Nebraska Hall (semester)	$5,179	$5,412	$5,656	4.5%	4.5%
Double Occupancy (semester)	4,129	4,315	4,509	4.5%	4.5%
Triple Occupancy (semester)	3,017	3,153	3,295	4.5%	4.5%
Centennial Hall Single Occupancy (semester)	6,049	6,321	6,605	4.5%	4.5%
Centennial Hall Double Occupancy (semester)	4,129	4,315	4,509	4.5%	4.5%

Meal plan rates will increase by 4%.

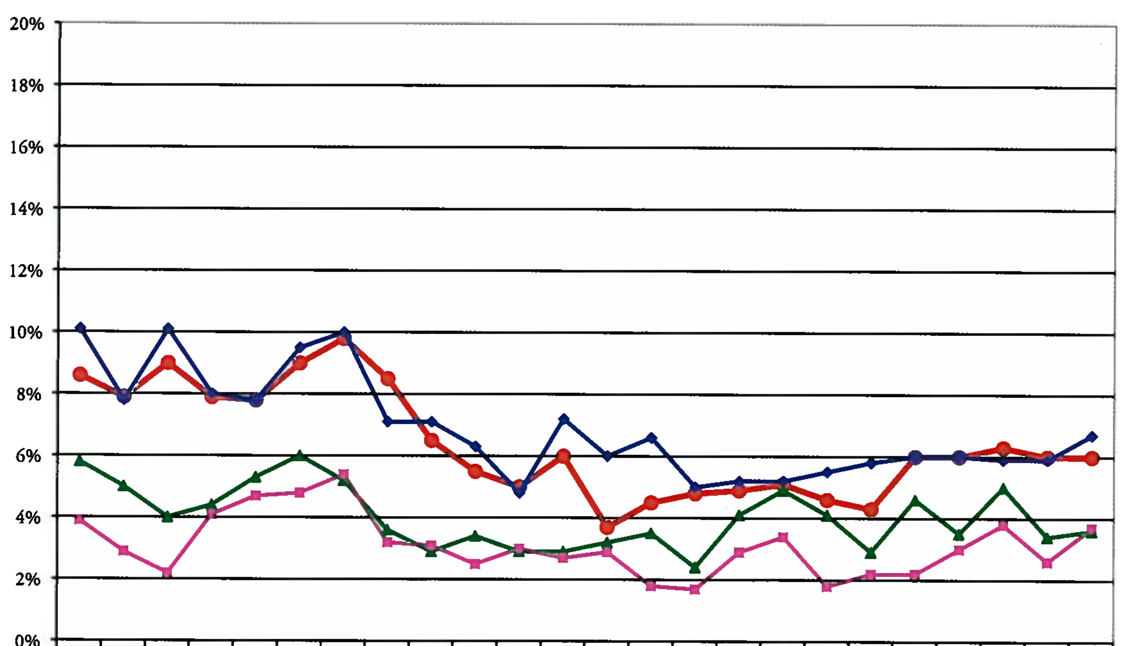
American University
Fall Full-Time Equivalent Enrollment

Fall Semester	Under-graduates	% Change Since 1990	Wash. Semester & Non-AU Study Abroad	Graduates	Non-Degree	Subtotal	% Change Since 1990	Law	Law as % of Total	TOTAL	% Change Since 1990
1990	**5,361**		506	2,028	688	**8,583**		1,077	11.1%	**9,660**	
1991	**4,930**	(8.0%)	461	2,200	655	**8,246**	(3.9%)	1,068	11.5%	**9,314**	(3.6%)
1992	**4,692**	(12.5%)	564	2,435	652	**8,343**	(2.8%)	1,067	11.3%	**9,410**	(2.6%)
1993	**4,623**	(13.8%)	464	2,590	592	**8,269**	(3.7%)	1,163	12.3%	**9,432**	(2.4%)
1994	**4,460**	(16.8%)	426	2,496	542	**7,924**	(7.7%)	1,184	13.0%	**9,108**	(5.7%)
1995	**4,700**	(12.3%)	330	2,469	504	**8,003**	(6.8%)	1,137	12.4%	**9,140**	(5.4%)
1996	**4,797**	(10.5%)	457	2,392	425	**8,071**	(6.0%)	1,182	12.8%	**9,253**	(4.2%)
1997	**4,797**	(10.5%)	382	2,285	450	**7,914**	(7.8%)	1,229	13.4%	**9,143**	(5.4%)
1998	**4,919**	(8.2%)	334	2,176	416	**7,845**	(8.6%)	1,245	13.7%	**9,090**	(5.9%)
1999	**4,912**	(8.4%)	318	2,198	375	**7,803**	(9.1%)	1,336	14.6%	**9,139**	(5.4%)
2000	**5,161**	(3.7%)	472	2,166	366	**8,165**	(4.9%)	1,317	13.9%	**9,482**	(1.8%)
2001	**5,343**	(0.3%)	438	2,134	355	**8,270**	(3.6%)	1,354	14.1%	**9,624**	(0.4%)
2002	**5,500**	2.6%	393	2,312	249	**8,454**	(1.5%)	1,458	14.7%	**9,912**	2.6%
2003	**5,493**	2.5%	457	2,421	181	**8,552**	(0.4%)	1,415	14.2%	**9,967**	3.2%
2004	**5,583**	4.1%	484	2,393	232	**8,692**	1.3%	1,527	14.9%	**10,219**	5.8%
2005*	**5,619**	4.8%	421	2,301	263	**8,604**	0.2%	1,498	14.8%	**10,102**	4.6%
2006	**5,757**	7.4%	382	2,202	245	**8,586**	0.0%	1,529	15.1%	**10,115**	4.7%
2007	**5,721**	6.7%	296	2,293	357	**8,667**	1.0%	1,528	15.0%	**10,195**	5.5%
2008	**5,931**	10.6%	316	2,333	404	**8,984**	4.7%	1,519	14.5%	**10,503**	8.7%
2009 Budget	**6,001**	11.9%	329	2,269	395	**8,994**	4.8%	1,398	13.5%	**10,392**	7.6%
2010 Budget	**6,011**	12.1%	329	2,290	394	**9,024**	5.1%	1,389	13.3%	**10,413**	7.8%

Source: Office of Institutional Research. Data as of the 5th week.

* Katrina students are not included in enrollment data.

Higher Education Inflation Measures
(As measured against AU tuition rate increases)



	FY85	FY86	FY87	FY88	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08
AU Tuition % Increase	8.6%	7.9%	9.0%	7.9%	7.8%	9.0%	9.8%	8.5%	6.5%	5.5%	5.0%	6.0%	3.7%	4.5%	4.8%	4.9%	5.1%	4.6%	4.3%	6.0%	6.0%	6.3%	6.0%	6.0%
Private University Index	10.1%	7.8%	10.1%	8.0%	7.8%	9.5%	10.0%	7.1%	7.1%	6.3%	4.8%	7.2%	6.0%	6.6%	5.0%	5.2%	5.2%	5.5%	5.8%	6.0%	6.0%	5.9%	5.9%	6.7%
Higher Ed Price Index (HEPI)	5.8%	5.0%	4.0%	4.4%	5.3%	6.0%	5.2%	3.6%	2.9%	3.4%	2.9%	2.9%	3.2%	3.5%	2.4%	4.1%	4.9%	4.1%	2.9%	4.6%	3.5%	5.0%	3.4%	3.6%
CPI	3.9%	2.9%	2.2%	4.1%	4.7%	4.8%	5.4%	3.2%	3.1%	2.5%	3.0%	2.7%	2.9%	1.8%	1.7%	2.9%	3.4%	1.8%	2.2%	2.2%	3.0%	3.8%	2.6%	3.7%

Sources:
Private University Index provided by the College Board
Higher Education Price Index and Consumer Price Index provided by the Commonfund Institute (www.commonfund.org)

American University Market Comparison
Full-Time Undergraduate Tuition and Mandatory Fees
(FY 2009 is the most recent year for which comparable data are available.)

	School	FY2008	FY2009	Increase FY08 to FY09 $	Increase FY08 to FY09 Percent
1	George Washington University	$39,240	$40,437	$1,197	3.1%
2	Vassar College	$38,115	$40,210	$2,095	5.5%
3	Bucknell University	$38,134	$39,652	$1,518	4.0%
4	Colgate University	$37,660	$39,545	$1,885	5.0%
5	Columbia University	$37,223	$39,326	$2,103	5.6%
6	University of Richmond	$37,610	$38,850	$1,240	3.3%
7	Tufts University	$36,700	$38,840	$2,140	5.8%
8	Tulane University	$36,610	$38,664	$2,054	5.6%
9	Dickinson College	$35,809	$38,259	$2,450	6.8%
10	Johns Hopkins University	$36,400	$38,200	$1,800	4.9%
11	Boston College	$35,674	$37,950	$2,276	6.4%
12	Georgetown University	$35,964	$37,947	$1,983	5.5%
13	Duke University	$35,512	$37,925	$2,413	6.8%
14	University of Southern California	$35,810	$37,890	$2,080	5.8%
15	Brown University	$36,342	$37,718	$1,376	3.8%
16	University of Chicago	$35,868	$37,632	$1,764	4.9%
17	Lehigh University	$35,610	$37,550	$1,940	5.4%
18	Barnard College	$35,190	$37,538	$2,348	6.7%
19	University of Pennsylvania	$35,916	$37,526	$1,610	4.5%
20	New York University	$35,290	$37,372	$2,082	5.9%
21	Brandeis University	$35,702	$37,294	$1,592	4.5%
22	Dartmouth College	$35,288	$37,250	$1,962	5.6%
23	Villanova University	$34,620	$37,250	$2,630	7.6%
24	Washington University in St. Louis	$35,524	$37,248	$1,724	4.9%
25	Northwestern University	$35,429	$37,125	$1,696	4.8%
26	Boston University	$35,418	$37,050	$1,632	4.6%
27	Vanderbilt University	$35,278	$37,005	$1,727	4.9%
28	Cornell University	$34,781	$36,504	$1,723	5.0%
29	Swarthmore College	$34,884	$36,490	$1,606	4.6%
30	Emory University	$34,336	$36,336	$2,000	5.8%
31	Loyola College	$34,250	$36,240	$1,990	5.8%
32	Harvard University	$34,998	$36,173	$1,175	3.4%
33	Yale University	$34,530	$35,300	$770	2.2%
34	Fordham University	$32,720	$35,257	$2,537	7.8%
35	University of Miami	$33,018	$34,834	$1,816	5.5%
36	Princeton University	$33,000	$34,290	$1,290	3.9%
37	Clark University	$32,865	$34,220	$1,355	4.1%
38	Northeastern University	$31,899	$33,721	$1,822	5.7%
39	Syracuse University	$31,686	$33,439	$1,753	5.5%
40	**American University**	**$31,425**	**$33,283**	**$1,858**	**5.9%**
41	University of Michigan*	$31,301	$33,069	$1,768	5.6%
42	St. Joseph's University	$30,985	$32,860	$1,875	6.1%
43	Catholic University of America	$28,990	$30,670	$1,680	5.8%
44	Ithaca College	$28,670	$30,606	$1,936	6.8%
45	Drexel University	$29,065	$30,440	$1,375	4.7%
46	University of Virginia*	$27,515	$29,798	$2,283	8.3%
47	Univeristy of Vermont*	$27,938	$29,682	$1,744	6.2%
48	University of California - Davis*	$27,729	$29,243	$1,514	5.5%
49	College of William and Mary*	$26,725	$29,116	$2,391	8.9%
50	University of California - Santa Barbara*	$27,516	$28,994	$1,478	5.4%

American University Market Comparison
Full-Time Undergraduate Tuition and Mandatory Fees
(FY 2009 is the most recent year for which comparable data are available.)

	School	FY2008	FY2009	Increase FY08 to FY09 $	Increase FY08 to FY09 Percent
51	University of California - San Diego*	$27,019	$28,670	$1,651	6.1%
52	Hofstra University	$26,730	$28,630	$1,900	7.1%
53	University of California - Berkeley*	$26,784	$28,264	$1,480	5.5%
54	University of California - Los Angeles*	$26,658	$28,162	$1,504	5.6%
55	Penn State University - University Park*	$23,712	$24,940	$1,228	5.2%
56	Elon University	$22,166	$24,076	$1,910	8.6%
57	University of Connecticut*	$22,786	$24,050	$1,264	5.5%
58	University of Pittsburgh*	$22,386	$23,290	$904	4.0%
59	University of Maryland - College Park*	$22,208	$23,076	$868	3.9%
60	George Mason University*	$19,728	$22,476	$2,748	13.9%
61	University of North Carolina - Chapel Hill*	$20,988	$22,295	$1,307	6.2%
62	University of Wisconsin - Madison*	$21,438	$21,818	$380	1.8%
63	University of Massachusetts - Amherst*	$20,502	$21,729	$1,227	6.0%
64	University of Delaware*	$19,400	$21,126	$1,726	8.9%
65	Rutgers University - Newark*	$19,435	$21,031	$1,596	8.2%
66	Temple University*	$19,320	$20,468	$1,148	5.9%
67	State University of NY at Binghamton*	$12,272	$12,332	$60	0.5%
	Average	**$30,930**	**$32,631**	**$1,701**	**5.5%**

Three-tier competitors are color coded as follows:

Tier One Competitors: Though admitted to AU, students choose these competing institutions.

Tier Two Competitors: Though admitted to these competing institutions, students choose AU.

Tier Three Competitors: Students choose equally between AU and these institutions.

Source: The Chronicle of Higher Education October 29, 2008 issue

Notes: According to the College Board's annual tuition survey, tuition increases from AY08 to AY09 averaged 6.4% for in-state tuition at public four-year institutions and 5.9% at private four-year institutions.

*State institutions indicate out-of-state tuition rates

Market Comparison
Undergraduate Tuition and Mandatory Fee Increases

	American University	All 3-Tiers Average*	Private Institutions**
AY95-96 to AY96-97	3.7%	4.9%	5.0%
AY96-97 to AY97-98	4.6%	4.7%	5.0%
AY97-98 to AY98-99	4.7%	5.6%	5.0%
AY98-99 to AY99-00	4.8%	4.8%	4.7%
AY99-00 to AY00-01	5.0%	4.5%	5.2%
AY00-01 to AY01-02	5.1%	5.2%	5.5%
AY01-02 to AY02-03	4.3%	6.3%	5.8%
AY02-03 to AY03-04	5.9%	7.3%	6.0%
AY03-04 to AY04-05	5.9%	6.4%	6.0%
AY04-05 to AY05-06	6.5%	6.3%	5.9%
AY05-06 to AY06-07	5.9%	6.0%	5.9%
AY06-07 to AY07-08	5.9%	5.6%	6.3%
AY07-08 to AY08-09	5.9%	5.5%	5.9%
AVERAGE	**5.2%**	**5.6%**	**5.5%**

*67 Institutions (private and public) identified by the Office of Enrollment for AY08-09

** Annually reported by the College Board

Market Comparison
Residence Hall Room Rates at Area Institutions

School	FY2008 Residence Hall Fee	FY2009 Residence Hall Fee	Increase FY08 to FY09 $	Increase FY08 to FY09 Percent
George Washington University	$9,000	$9,270	$270	3.0%
Georgetown University	$7,956	$8,354	$398	5.0%
American University	**$7,792**	**$8,258**	**$466**	**6.0%**
Loyola College	$7,350	$7,790	$440	6.0%
Catholic University	$6,224	$6,536	$312	5.0%
Average	**$7,664**	**$8,042**	**$377**	**4.9%**

Source: Survey of university websites completed by the Budget Office.
Note: All rooms are double occupancy with no private bath. Cost is for room only.

Staff and Faculty Performance-Based Salary Increase and Market Adjustments

	Performance-Based Salary Increase %	Staff Market	Faculty Market
FY1997	3.00%	$600,000	$300,000
FY1998	3.00%	1,200,000	265,000
FY1999	2.50%	1,400,000	225,000
FY2000	2.50%	1,400,000	350,000
FY2001	4.00%	1,400,000	800,000
FY2002	4.00%	1,700,000	943,000
FY2003	4.00%	0	0
FY2004	4.00%	0	0
FY2005	4.00%	0	0
FY2006	3.75%	150,000	100,000
FY2007	3.50%	0	0
FY2008	3.70%	0	110,000
FY2009	3.70%	0	120,000
FY2010	3.00%	0	100,000
FY2011	3.00%	0	100,000
Total		**$7,850,000**	**$3,413,000**

Note: The staff compensation salary bands will increase by 3% each year.